

# Budgeting for School Education in Maharashtra: What Has Changed and What Has not?

*Policy Brief*



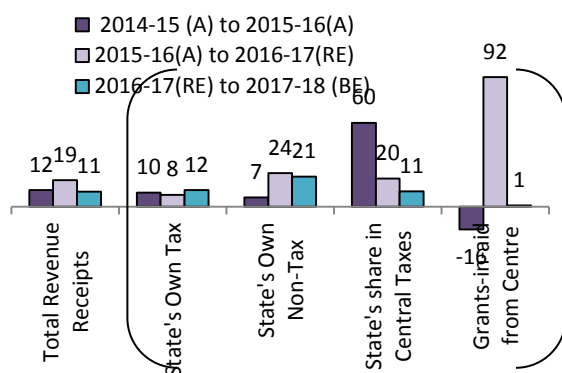
## Context

The landscape of fiscal policy and budgetary processes in India has witnessed a number of changes over the last few years. The 14th Finance Commission (FC) recommended increasing the share of states in the divisible pool of central taxes from the erstwhile 32 percent to 42 percent. On the other hand, the Union Government has pursued its fiscal consolidation by compressing expenditure, mostly on Central schemes in social sectors including school education. It is obvious that the new fiscal architecture will directly impact the public provisioning of education at the state level. In this changed fiscal space, this policy brief examines Maharashtra governments' policy response to school education and attempts to assess the impact of the 14th FC recommendations on the current level of public spending on school education and identify areas where more resources need to be invested.

### Whether Maharashtra has been able to enhance their resource envelope in the 14th FC period?

The size of revenue receipt of a state indicates the amount of resource in a state's exchequer. Revenue receipts comprise state's own tax, central tax devolution, non-tax revenue of the state government and grants received from Government of India.

**Figure 1: Change in resource envelope from 2014-15 (A) to 2017-18 (BE) (percent)**



Source: Budget at a glance, State Budget documents for 2016-17 and 2017-18

Figure 1 describes the change in total revenue receipts of Maharashtra in the pre 14th FC (2014-15) period and first three years of 14th FC period (2015-16 to 2017-18 (BE)).

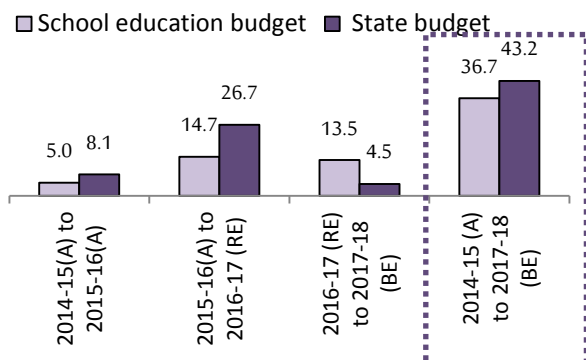
The figure confirms that after the 14th FC recommendations, the state actually benefitted in terms of generation of additional resources. In Maharashtra, other than grants-in-aid from the Centre, there has been an absolute increase in all other components of revenue receipts between the pre 14th FC and the 14th FC period. This has also increased the state's overall revenue receipts. The state has been able to increase or maintain the same rate of revenue collection from own tax and non-tax revenue. Though it has witnessed a cut in grants-in-aid from the Centre in the first year of the 14th FC period, but able to revived in the next year (Figure 1).

### Whether state budget reflects improvement in prioritising school education in 14th FC period?

With the increased autonomy in setting spending priorities in the 14<sup>th</sup> FC period, Maharashtra emerged as the state where there is an increase in both the total expenditure of the state, as well as education expenditure. The extent of increase in the total state budget in comparison to the increase in the school education budget shows between 2014-15 (A) and 2017-18 (BE), while the state budget increased by 43 percent, the expenditure on school education increased by 37 percent (Figure 2a). Indeed, no budgetary priority for school education is observed in Maharashtra between 2014-15 and 2016-17 (RE). However, in 2017-18 (BE), while the state budget increased by 4.5 percent, the allocation for school education increased by 13.5 percent from the previous years revised estimates (Figure 2a). Though the allocation for elementary education is in harmony with the

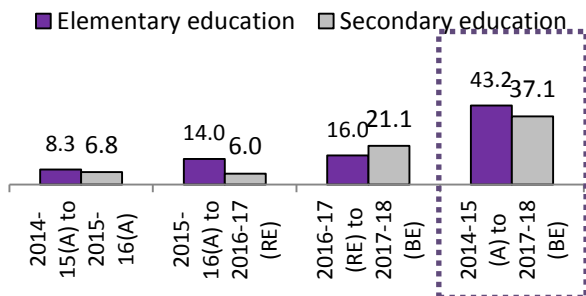
increase in state budget, not much priority is observed for secondary education (Figure 2b).

**Figure 2a: Extent of change in the total state budget vis-à-vis change in allocation for school education (percent)**



Source: Detailed Demand for Grants, state budget documents for 2016-17 and 2017-18

**Figure 2b: Extent of change in elementary education and secondary education (percent)**

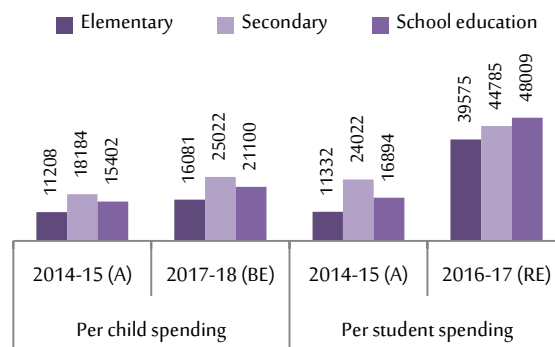


Source: Detailed Demand for Grants, state budget documents for 2016-17 and 2017-18

**How much Maharashtra Government is spending on school education?**

Per child and per student spending on school education indicates resource availability for each school going child and each school enrolled child respectively. A comparison of both the indicators during the 13<sup>th</sup> and 14<sup>th</sup> FC period reveals firstly, an increase in both per child and per student spending in the 14<sup>th</sup> FC year as compared to the 13<sup>th</sup> FC year.

**Figure 3: Per Child and Per Student Spending on school education (Rs.)**



Note: The enrolment data for 2017-18 was not available. Source: State Budget documents, projected population of 6-17 age group from MHRD portal and DISE data

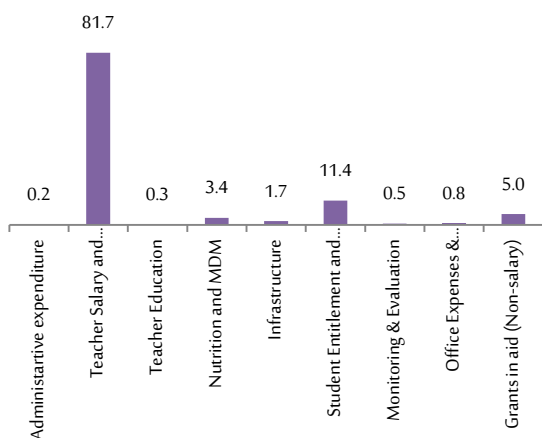
A disaggregated picture of the per child spending by level of education shows between 2014-15 and 2017-18, there is a 43 percent increase in elementary education, 38 percent in secondary education and 37 percent in school education (Figure 3). This can be attributed to two factors. First, an absolute increase in the school education budget post the 14<sup>th</sup> FC recommendation and second, the decline in the growth rate of population in the 6- 17 years age group.

Maharashtra is one of the Indian states, which spends relatively higher amount of resources per enrolled children. Unlike per child spending, Maharashtra witnessed a huge jump in per student spending in all levels of school education between 2014-15 (A) and 2016-17 (RE). An increase of about 250 percent at elementary level, 86 percent at secondary level and 184 percent at school education is observed in Maharashtra. This huge difference between per child and per student spending at all levels of education can be attributed to the growing rate of privatisation of school education in Maharashtra. In this context, it is also important to highlight that *Kendriya Vidyalayas*, considered to be ‘model’

government run schools in terms of providing quality education, spent Rs.35,664 per student in 2016-17(RE) for school education, which was Rs. 32,263 in 2014-15(A).

**How Maharashtra is allocating its school education budget across different components?**

**Figure 4: Component wise distribution of school education budget as % of state budget**



Source: Detailed Demand for Grants, state budget documents for 2017-18

How does a state design its school education budget? Is teacher salary appropriating allocations required for other components? The distribution of components of school education in the total school education budget of Maharashtra for 2017-18 (BE) gives a holistic picture on how the state is designing its school education budget. Figure 4 shows that teacher salary constitutes 82 percent of the Maharashtra’s school education budget. In order to motivate schoolteachers, the government has taken policy measures like giving awards to primary teachers for enrolment of girls in schools, free education to children of primary teachers, delinked insurance scheme for staff of aided non-government primary schools and awards to outstanding primary schools in rural areas.

In the last few years, the government has also introduced several policy initiatives like attendance allowance to girls from economically-weaker sections, free education to children of freedom fighters, education concessions to children (up to class XII) of Vidarbha farmers to avoid parent suicides, scholarships to tribal girls to reduce drop-outs, especially among girls. The government also provides some nonmonetary incentives to students through policy initiatives like book banks, production of books in tribal dialects, increase in amenities in residential ashramshalas and hostels for vimuktajati and nomadic tribe students. This reflects in the incentive component exceeding 11 percent in the budget pie. However, the components like teacher education, monitoring and evaluation are severely resource-starved. About five percent of school education budget in Maharashtra is recorded as grants in aid (non-salary). It is difficult to understand where the money is getting spent from the budget documents of the state.

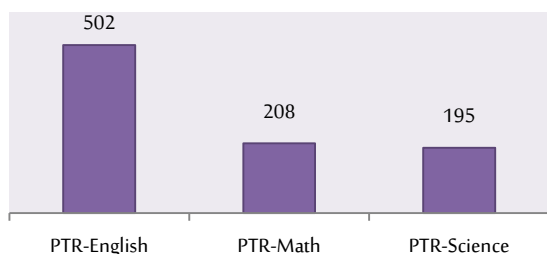
**What is the pattern of allocation and spending for teachers in Maharashtra? Is there any change in the 14<sup>th</sup> FC period?**

Teachers are the fulcrum of the school education system. Professionally qualified teachers are a prerequisite for improving the quality of education. However, a common feature of the Indian education system is shortage of qualified teachers.

As per the minutes of the SSA Project Approval Board (PAB) meeting, 18671 teacher posts are vacant in Maharashtra, which is 5.9 percent of the total sanctioned post.

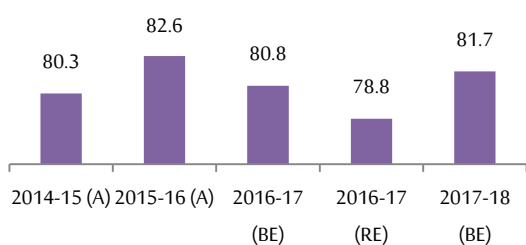
At the upper primary level, there is a need not only for teachers but subject specific teachers with command over their respective subject areas. However, In Maharashtra, there are only 23 percent upper primary schools where subject teachers are available as per RTE and the problem is more acute at secondary level.

**Figure 5: The pupil teacher ratio (PTR) for subject teachers at the secondary level**



As per government records, the PTR for English in Maharashtra is as high as 502:1, for mathematics is 208:1 (Figure 5). The third RMSA Joint Review Mission (JRM) highlighted the fact that shortage of science and mathematics teachers had far reaching implications in India. This included the present cohort of students not being able to acquire skills and competencies needed in these subjects. This also meant that these students were less likely to seek scientifically oriented degrees and employment, which in turn further reduces the supply of such teachers (RMSA, 2014).

**Figure 6: Share of teacher salary and incentives for teachers in the total school education budget (percent)**



Source: Detailed demand for grants, State Budgets for 2016-17 and 2017-18

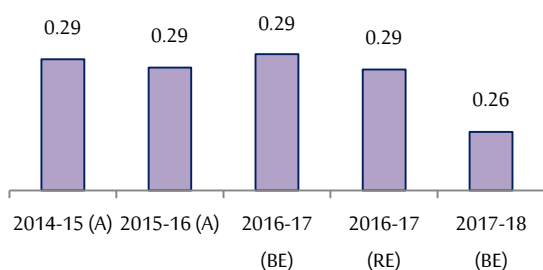
Despite understanding the urgent need recruitment of additional teachers in Maharashtra has not kept pace with rapidly growing enrolment. The limited fiscal space

available to the state is the key reason that causes low recruitment rates or no recruitment situation.

Figure 6 shows that around 82 percent of school education budget in Maharashtra goes for teachers in terms of salaries, pensions and any other incentives like awards, incentives to children of teachers, transfer allowance, etc. There is not much difference in the expenditure pattern between 14th FC period and 2014-15 (A). But given the shortage of teachers, especially subject teachers, this component should be much higher than what it is at present. However, as the overall resource envelope for education is small, it is difficult for states to increase spending on the other important component for quality education – teacher education.

Section 23 of the RTE Act mandates that all government school teachers should possess minimum qualifications laid down by the National Council for Teacher Education (NCTE). Those not qualified had time until 31st March, 2015 to complete the training. Maharashtra is among the states, as a policy which has always appointed professionally trained teachers for schools. Thus only 0.3 percent of elementary teachers and 0.7 percent of secondary teachers in Maharashtra were professionally unqualified (DISE, 2015-16). This is also reflected in the low share of teacher education in Maharashtra’s school education budget. Moreover, the share of spending on teacher education has decreased in the 14th FC period compared to 2014-15 (A).

**Figure 7: Share of teacher education in total school education budget (percent)**



Source: Detailed demand for grants, State Budgets for 2016-17 and 2017-18

### What is the pattern of allocation and spending for school infrastructure in Maharashtra?

Along with teachers, school infrastructure plays a key role in quality education. It includes not only available facilities but also the extent to which they are utilised. The RTE Act has clearly specified norms for school infrastructure. The Act states that each school should have 1) at least one classroom for every teacher, 2) office cum-store-cum-head teacher's room 3) separate usable toilets for girls and boys 4) safe and adequate drinking water facility 5) a kitchen in the school where the mid-day meal can be cooked 6) playground and 7) arrangements for securing the school building by boundary wall or fencing. However, there is a huge continuing deficit in infrastructure despite eight years since RTE's inception. The state has 1.31 percent of single classroom schools at secondary level; only 27 percent schools have toilets for CWSN.

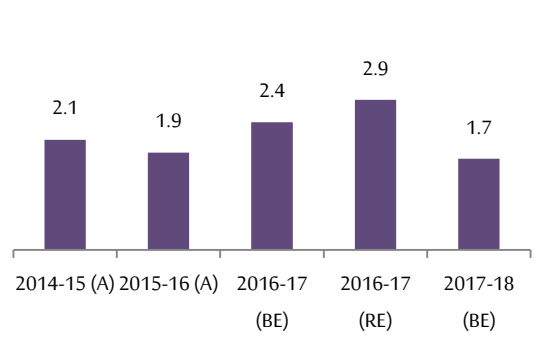
While infrastructure alone cannot ensure learning outcomes, it is undoubtedly necessary. However, despite immediate requirement, civil works in state are happening at a slow pace. Firstly, states are not getting regular funds for civil work from the Union Government. Secondly, the schedule of rate for construction (SORC) is very low and has not been revised since a long time. Moreover, as states have limited resources for education, states find it difficult to allocate additional resources for infrastructure building after paying teachers' salaries and other expenses.

**Table 1: Status of school infrastructure at the elementary and secondary level**

Elementary	%	Secondary	%
Govt. primary schools with SCR > 30	22.0	Single classroom schools	1.31
Govt. upper primary schools with SCR > 35	35.4	Schools with buildings	100.0
Schools with drinking water facility	99.7	Schools with girls' toilets	99.8
Schools with girls' toilet facility	99.4	Schools with toilets for CWSN	27.0
Schools with ramp	93.0	Schools with electricity	97.1
Schools with playground	87.2		
Schools with boundary wall	81.3		
Schools with kitchen shed	88.2		
Schools with electricity	85.9		

Source: DISE, 2015-16

**Figure 8: Share of infrastructure in total school education budget (percent)**



Source: Detailed demand for grants, State Budgets for 2016-17 and 2017-18

Due to huge shortfall in basic infrastructure, the infrastructure budget for Maharashtra has improved in 2017-18 (BE) as compared to 2014-15 (A) (Figure 8). Instead of imposing

conditionality on fund utilisation, states should allow schools to meet their infrastructure requirements by permitted them to use resources as per need.

**How sensitive is the school education budget towards OOSC and children with special needs (CWSN) in Maharashtra?**

In the last ten years, there has been substantial improvement in the coverage of elementary education in terms of increased enrolment in the state. Despite this, there do exist a large number of OOSC in Maharashtra (table 2). To achieve the goals of education in a timely manner, the government needs to bring back the large numbers of OOSC into the formal schooling system.

**Table 2: Number of OOSC in Maharashtra by different Survey**

States	Census (2011)	SRI-IMRB (2014)	SSA (2017-18)
Maharashtra	23.27 lakh	1.45 lakh	78501

Source: Census 2011, MHRD (2014, 2017)

At present, the provisions for OOSC are mainly channelled through SSA and RMSA in the form of special training programmes. As per the policy guidelines of these programmes, state government is responsible for planning, designing and implementation of programmes to bring back OOSC to formal education in age appropriate classes. This process is resource intensive. Financial assistance is provided on the basis of assessment of OOSC and provisions made in the District Plan. The analysis of the SSA budget of Maharashtra shows gap between approved outlays and actual expenditure in mainstreaming OOSC. With substantial numbers of OOSC, the state had approved an outlay of Rs. 87 crore for special training of these children

in 2016-17 this outlay has further reduced to Rs. 85 crore in 2017-18. The outlay for mainstreaming OOSC in 2016-17 was only 3.8 percent of total approved outlay for SSA and of this; Maharashtra has spent only Rs. 29 crore for the special training in 2016-17.

The situation is more severe at the secondary level. Despite provisions for training OOSC under RMSA, there is no demand for resources from the state in the Annual Work Plan and Budget (AWP&B) of the states.

**Intervention for Children with Special Need (CWSN)**

Any discussion on inclusive education must include discussion on children with special needs (CWSN). However, there is not enough literature that analyses the policies for children with special needs from a budgetary lens. India is home to 4.9 million disabled children in the age group of 6-17 years and the six states together constitute 60 percent of disabled children in India. Of these, only 67 percent children attend any educational institutions and the remaining 33 percent have either dropped out or never attended any educational institutions (Census 2011). A key reason for this large number of OOSC is supply side bottlenecks. The approved outlay for CWSN under SSA and the actual expenditure confirms under allocation and underutilisation of resources for CWSN children.

In Maharashtra, against a population of 5.5 lakh children, an outlay of Rs. 76 crore was approved in 2016-17, which is 3.3 percent of the total outlay approved by SSA. Of the total approved outlay for CWSN, state has able to utilise around 75 percent. Similarly, under the RMSA, a programme called 'Inclusive Education of Disabled at Secondary Stage' (IEDSS) has been implemented to provide an opportunity to students with disabilities, to complete four years of secondary schooling in neighbouring

schools in an inclusive and enabled environment. In 2017-18, Maharashtra government has approved Rs. 73 crore for IEDSS, which is 25 percent of the total RMSA outlay.

The appointment of special educators for CWSN is an intervention under both SSA and RMSA. In 2015, Central Board of Secondary Education (CBSE) made it compulsory for its affiliated schools to appoint a special educator (Singh, 2017). However, in 2015-16, the Maharashtra government terminated appointments of all special educators. Later, with a court order, they restored the services of IEDSS teachers, but salaries were approved only for 70 percent of teachers.

In addition to MHRD, Department of Empowerment of Persons with Disabilities has a financial provision for the education of CWSN. Table 3 shows an increase in allocation and expenditure of Maharashtra in the last five years considering all educational interventions for CWSN by different departments. However, in respect to the need, this allocation towards CWSN is very low mostly because of the absence of realistic estimates of the numbers of children coping with various types of disabilities.

For inclusive quality education, responsible need-based planning, budgeting, management, monitoring, supervision, reporting, and maintenance is required. To have a bottom up approach, community mobilisation and active participation of community members in implementation of school education is extremely critical, not only in effective planning and implementation of interventions in schools, but also in effective monitoring, evaluation and ownership of the government programmes by the community. DISE reported that more than 97 percent of government and government aided schools in Maharashtra has constituted SMCs. More than 90 percent of schools with SMCs have bank accounts to avail and facilitate the entitlement of SMCs over grant expenditure. The state PAB meeting minutes for 2016-17 shows that only Rs. 22.2 crore for SMC training and community mobilisation was approved in the meeting. Scanty allocation towards the training of SMC and SDMC members has failed to bring about effective capacity building at the ground level. As a result, decentralised planning remains on pen and paper in Maharashtra.

**Table 3: Budgetary interventions for school education of children with disabilities (Rs. Crore)**

2014-15(A)	2015-16 (A)	2016-17 (BE)	2016-17 (RE)	2017-18 (BE)
3.5	4.4	4.8	4.1	4.9

Source: Detailed demand for grants, State Budgets for 2016-17 and 2017-18

**Decentralised planning for school education: Priority for School Management Committee and community mobilisation in state budgets**



### Policy Recommendation

In the light of findings, the policy brief suggests immediate and long-term policy measures that state could implement to provide quality school education which is accessible to all sections of the society.

- Maharashtra needs to adequately invest to overcome the shortage of subject specific teachers at the secondary level.
- Teacher education and infrastructure building should be the immediate priority for states.
- State should design its' school education budget by allocating more funds for interventions towards marginalised children, especially for OOSC and children with disabilities. As a first step, it should revisit the amendment for scrapping the 'no detention policy' and prioritise the need for bringing back all children in school.
- It should design policies of mainstreaming OOSC in a more focused manner and support the policies with adequate resource for implementation.
- Maharashtra should prioritise training of community members on a regular

This document is for private circulation and is not a priced publication.

Copyright@2018 Centre for Budget and Governance Accountability and Child Rights and You (CRY)

Reproduction of this publication for educational and other non-commercial purposes is authorized, without prior written permission, provided the source is fully acknowledged.

**Author: Protiva Kundu**

For further information, please write to: [protiva@cbgindia.org](mailto:protiva@cbgindia.org)

**Published by**



**Centre for Budget and Governance Accountability**

B-7 Extn./110 A (Ground Floor), Harsukh Marg, Safdarjung Enclave, New Delhi - 110029.

[www.cbgindia.org](http://www.cbgindia.org)

**In collaboration with**

